

**Supplemental Agreement to the Collective Bargaining Agreement between
the National Treasury Employees Union and
the Department of Energy Headquarters**

This agreement replaces articles 17, 18, and 29 of the Collective Bargaining Agreement regarding performance standards, performance appraisals, and performance awards. Additional changes may be considered if the upcoming CBA negotiations have an impact on agreed to provisions in the subject articles, or if provisions of the subject articles have not been discussed previously (e.g., issues related to the awards pool, superior accomplishment awards, suggestion awards and invention awards). The terms and conditions of this agreement apply only to positions within the bargaining unit and to employees who occupy those positions. When the word employee is used in this agreement, it is understood that it means an employee in a bargaining unit position.

This agreement is made and entered into by and between the Department of Energy (DOE) Headquarters, hereinafter referred to as the Employer, and the National Treasury Employees Union (NTEU), hereinafter referred to as NTEU. The Employer and NTEU shall be parties in this agreement. The parties in this agreement agree to continue dialog concerning the roles and responsibilities of rating officials, reviewing officials, team leaders, and supervisors.

The parties agree to develop jointly and pilot a performance grievance review panel.

To assure consistent communication of the intent and character of this agreement, the parties agree that announcements to employees and management officials regarding this Supplemental Agreement shall be executed as a joint communication from the parties to these employees and management officials. The parties further agree that the development of training tools for employees and the implementation of the Performance Management System shall also be discharged as a collaborative endeavor of the parties.

Communication to the employees relating to this Supplemental Agreement or the Performance Management System shall be achieved by (but not limited to) the following communication methods:

- A. An e-mail memo broadcast under the Employers DOECASST system, with hard copies to employees who do not have access to DOECASST;
- B. An internet or intranet site designed to describe the Performance Management System and address questions relating to the Performance Management System;
- C. Question "boxes" whereby employees, who do not have convenient access to electronic distribution devices, can post questions regarding this Supplemental Agreement or the Performance Management System. Questions can be forwarded to the following locations:

- 1.) the NTEU Chapter 213 office in Forrestal;
- 2.) the NTEU Chapter 228 office in Germantown;
- 3.) Room 4E-084 (attn: Labor/Management Relations) of the Forrestal Building.

A data measurement and collection system will be developed jointly to measure the effectiveness of the Performance Management System. The parties shall collect data relating to the Performance Management System to determine such things as the effectiveness of the System; the timeliness of implementation, periodic reviews and final evaluations; and any relevant trends.

The parties shall provide joint oversight for the implementation of the Headquarters Performance Management System. Data analysis will be published within the Department Headquarters. The parties agree to meet three times a year and recommend corrections as needed. After the conclusion of the first appraisal year, the parties will assess the effectiveness and negotiate improvements.

The Generic Levels of Accomplishment referenced in Article 17, and guidance relative to periodic performance reviews are attached to this agreement as appendices.

NTEU will be notified prior to any final decisions on the Headquarters Performance Management System, and all labor relations obligations will be met, i.e. NTEU will have an opportunity to bargain over appropriate issues.

Article 17

Performance Standards

The Employer and NTEU agree to implement the Headquarters Performance Management System, which includes the following key provisions:

Performance management is the systematic process by which DOE Headquarters involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of the mission and goals.

Performance management integrates the processes used to

- 1. Communicate and clarify organizational goals to employees;**
- 2. Identify individual and, where applicable, team accountability for accomplishing organizational goals;**
- 3. Identify and address developmental needs for individuals and, where applicable, teams;**
- 4. Assess and improve individual, team, and organizational performance;**
- 5. Use appropriate measures of performance as the basis for recognizing and rewarding accomplishments; and**
- 6. Use the results of performance appraisals as a basis for appropriate personnel actions.**

Employee performance shall be rated relative to **four generic levels of accomplishment** for each element contained in the employee's performance plan. The generic levels of accomplishment will be applied in a standard manner. Tasks, assignments, expectations, etc. developed by the rating official and the employee will be measured against these generic levels of accomplishment.

Prior to the conduct of a reduction in force, all positions within the competitive area shall be assigned to a competitive level. One component of an employee's competitive status shall be based on the following performance-based criteria when calculating the time-in-grade component of the competitive level:

- a.) **Employees whose summary performance rating is greater than or equal to 3.5 shall receive 20 years credit for the performance period;**
- b.) **Employees whose summary performance rating is greater than 2.7 and less than 3.5 shall receive 16 years performance credit for the performance period;**
- c.) **Employees whose summary performance rating is greater than 1.9 and less than or equal to 2.7 shall receive 12 years performance credit.**

All performance plans shall have at least one critical and one non-critical element. Performance plans should be comprised of more than two but less than nine total elements.

Under the Performance Management System, employees will be rated on their elements and standards. An element is a general description of an employee's overall responsibility in a particular area of work. Standards in this system consist of two parts, the specific tasks/expectations and the four generic levels of accomplishment that are expected of an employee under each element. The four levels of accomplishment have been developed and are attached in the HQ Performance Management System Implementation Plan. Elements and tasks/expectations are developed by rating officials with input from employees according to the process set out below.

Section 17.01

Performance standards are established to allow for the periodic appraisal of employee job performance. Employees have the opportunity to participate in the establishment of performance standards, as described below.

Section 17.02

- A. Performance elements will be in writing and will be consistent with the actual**

duties and responsibilities assigned to an employee. Employees will not be rated on elements and standards that are inconsistent with their assigned duties and responsibilities. Elements will be designated in writing as critical or noncritical.

- B. Unless an employee is notified otherwise in writing at the beginning of an appraisal period, all critical elements will be deemed to be of equal weight, all noncritical elements will be deemed to be of equal weight, and each critical element will weigh twice as much as each noncritical element.
- C. Affected employees will be notified in writing of any changes, additions, or deletions to critical elements, noncritical elements, and performance standards.

The employee will be advised in writing of any change in the employee's elements and standards due a change in duties, or to reassignment of the employee to a new position, or change in the identity of the employee's rating official. If there is a change in the rating official, the employee will have an opportunity to discuss and clarify his/her performance plan with the new rating official.

Section 17.03

- A. "Critical element" means a component of a position consisting of one or more duties and responsibilities which contributes toward accomplishing organizational goals and objectives and which is of such importance that unacceptable performance on the element would result in unacceptable performance in the position.
- B. "Performance standard" means a statement of the expectations, tasks or requirements established by management for a critical or non-critical element. A performance standard may include, but is not limited to, factors such as quality, quantity, timeliness, and manner of performance, but is exclusive of conduct.
- C. Employees will have only one rating official, whose signature will be on the performance plan. **The employee shall be given written notice upon reassignment of the employee's current rating official.**
- D. Elements and standards shall be developed **within 30 days of the beginning of the evaluation year** or within 30 days of any event that effects a change in the employee's current standards and elements.
- E. Standards and elements will be developed in collaboration with the employee, the employee's rating official, and any other management official who assigns work to the employee. After carefully considering the employee's viewpoint and input

from other management officials, the rating official will issue the final elements and standards to the employee. **The employee will have an opportunity to attach comments to the final written elements and standards as defined by the rating official. This section applies whenever there is a change in the employee's performance elements and standards or when the employee is placed into a new position.**

- F. **Management has determined that work assignments from other management officials will be prioritized by the rating official to ensure that the employee is not being overburdened by multiple tasks.**
- G. An employee will be given a reasonable amount of administrative leave, up to two (2) hours, to prepare for the discussion on the new standards and elements, and to present written comments concerning his/her Performance Appraisal Plan to the rating official.

Section 17.04

Each employee is entitled to a meeting with his/her rating official not less than once each twelve (12) months for discussion and clarification of his/her Performance Appraisal Plan.

Article 18

Performance Appraisal

Section 18.01

The performance appraisal rating period shall extend twelve months, beginning on October 1 and ending on September 30. Circumstances can exist for which it is not possible to review an employee's performance for the entire twelve month period. Under such circumstances, the employee can be rated for a period of less than twelve months. However, the performance rating period shall be at least ninety days in length.

The Headquarters Performance Management System provides for annual appraisals of employee job performance; encourages employee participation in establishing performance standards; and uses the results of performance appraisals as a basis for training, rewarding, reassigning, promoting, reducing in grade, retaining, and removing employees.

Section 18.02

Employee job performance will be evaluated fairly and objectively.

Section 18.03

Performance shall be assessed solely on accomplishments during the rating period

and not on the basis of any prior rating period. Performance shall be monitored throughout the performance period subject to the minimum requirements for performance monitoring and feedback described in the following sections. Feedback is not limited to formal periodic reviews, and is encouraged throughout the rating year.

Section 18.04

- A. Employees shall receive at least two progress reviews during the annual performance appraisal year at approximately equal intervals. In a twelve month rating cycle, the periodic progress reviews will be done during the 4th and the 8th months. In the event that it is necessary to rate the employee for less than six months, the employee shall receive at least one progress review at the mid-point of the rating period.**
- B. Prior to a progress review, input will be provided to the rating official from all other management officials who have assigned work to the employee during the review period. The progress review rating shall be based on all work assigned by all management officials during the review period, and which is covered by the employee's elements and standards. The employee shall be provided a copy of any written input or feedback.**
- C. Management has determined that the progress review should be conducted between the rating official and the employee only, but that other parties may attend the progress review if the employee and the rating official have agreed in advance.**
- D. Employees will be requested to sign the Certification of Progress Review Form indicating that a progress review has occurred. Rating officials will provide a specific numeric assessment for each element of the employee's plan on the Form. These periodic review assessments shall not be averaged at the end of the year to determine the employee's summary performance rating, but are intended to provide clear and specific assessment of the employee's performance during the year. Periodic reviews are not grievable.**

Section 18.05

- A. Each employee is entitled to a meeting with the rating official for presentation and discussion of the annual performance appraisal. This can be an opportunity to clarify any new performance expectations. Employees may add written comments to the performance appraisal and return it to the rating official within five (5) work days. Such employee comments on the back of the appraisal become a part of the appraisal record. An employee may, upon request, be given a reasonable amount of administrative leave, up to two (2) hours, to prepare written comments.**

- B. The effective date of the appraisal is the date the appraisal is communicated to the employee by the rating official after having been signed by the reviewing official.
- C. A current performance appraisal may be challenged by the employee within fifteen (15) work days of the issuance of a copy of the rating in accordance with the procedures outlined in Article 11, or within fifteen (15) workdays of its use as the basis for a decision on a Performance-Based action against the employee in accordance with Article 45, Section 45.05.A. Any other grievances filed by the same employee during the processing of a performance appraisal grievance which may be affected by the outcome of the performance appraisal grievance will be held in abeyance pending the outcome of the performance appraisal grievance. A successfully challenged appraisal will become the appraisal of record and the grieved appraisal will be destroyed.

Section 18.06

The employee is encouraged to sign the performance appraisal upon issuance by the rating official. The employee's signature on the appraisal indicates only that the rating has been discussed with the employee, and the employee has reviewed the appraisal. The failure of an employee to sign the appraisal does not affect its validity. If the employee does not sign the official copy of the appraisal within 5 work days of the meeting in which the rating was communicated, the appraisal will be marked to indicate that the employee failed to sign the appraisal.

Section 18.07

- A. Written documentation used by the Employer concerning an employee's performance which could have an effect on the employee's performance appraisal should be shown to the employee within one week of its development but must be shown to the employee prior to the issuance of the performance appraisal. Failure to share such information with the employee within one week will not negate the rating, but will be considered by an arbitrator in any subsequent performance appraisal grievance.
- B. Employees may, at any time, request and will be provided a copy of any informal documentation regarding their performance during the rating year retained by their supervisors.
- C. Management has determined that non-management officials will not participate in the rating process nor will non-management officials provide an advisory rating to the rating official. Any input other than from the rating official considered by the rating official in determining the employee's rating shall be shared with the employee in writing. The employee will have an opportunity to respond to this input before the final rating is determined. Management has also determined that the appraisal shall be conducted between the rating official and the employee only,

but other parties may attend the appraisal and provide input if the employee and the rating official have agreed in advance.

- D. **Employees will receive written advisory ratings from management officials for whom the employee performed tasks for a minimum of 90 days during the evaluation year which were a part of the employee's performance plan.** The employee will be provided an opportunity to discuss the advisory rating with the official who provided the rating, and to provide written comments to the rating official and the official who issued the advisory rating. Care shall be taken to assure that this process does not result in an inadvertent change in the HQ Performance Management System.

Section 18.08

- A. In the application of standards to individual employees, the Employer agrees to take into account factors such as availability of resources, lack of training, official time spent performing work, such as when on a detail, or frequent, authorized interruptions of normal work duties.
- B. **Final ratings are to be provided to employees within 45 calendar days of the end of the rating period.**

Section 18.09

As outlined in the Headquarters Performance Management System, to determine an employee's final rating (rating of record), each element will be individually rated. That rating will be multiplied by the weight (2 for critical elements, 1 for non-critical elements). The total points for each element will be added together and divided by the total weighted elements. The weighted point average shall be the employee's summary performance rating. The exception to this is if an employee receives a rating of Level 1 on any critical element, the employee's overall performance rating is Level 1.

Section 18.10

Throughout the appraisal period, employees should be advised of their performance on an ongoing basis. Employees are to be notified as soon as possible when a decline in performance or any performance deficiencies are observed. In any action taken in connection with unacceptable performance, the rating official will provide as much guidance and assistance as possible to help improve the employee's performance.

Section 18.11

If, at any time, an employee's performance on any critical element is in danger of falling below a Level 2 rating (i.e., falling to Level 1), the following sequence of

events will be initiated:

- A. Management has determined that the rating official will advise the employee in a face-to-face meeting of the expected level of performance;**
- B. The employee shall receive a reasonable opportunity to correct identified deficiencies. If there is a failure by the employee to correct the performance deficiency, then the employee will receive specific written guidance regarding performance improvement.**
- C. The employee will have the opportunity to respond to the guidance in writing; however, the guidance is not grievable.**
- D. The employee shall be given a reasonable opportunity to improve performance. An amount of time in which an employee can improve performance shall be sufficient to afford the employee a realistic opportunity to improve performance. These steps will serve as part of the basis for determining that an employee's performance is at Level 1, which will then require that the employee be placed on a Performance Improvement Plan.**

Article 29

Employee Awards

Section 29.01

The parties agree to establish and implement the following performance-based awards:

- A. Performance-Based Cash Award**
This award is available to all employees in the Performance Management System whose annual summary rating-of-record is higher than 2.6, unless the employee has been rated at Level 1 on any critical element. All employees rated at or above this level will be nominated for a Performance-Based Cash Award. The amount of the cash award will be calculated using the following formula:
 - 1) Each employee's summary rating (above the 2.6 threshold) will become that employee's Performance Credit.**
 - 2) Each Performance Credit will be multiplied by the employee's grade to determine the employee's Award**

Points.

- 3) All award points in the employees' pay pool will be summed and then divided into the amount of funds set aside for Performance-Based Cash Awards to determine the dollar value of each award point.**
- 4) The award points earned by each employee shall be multiplied by the dollar value for each award point to determine an employee's performance award.**
- 5) Performance-based cash awards will be paid to employees no later than 4 months after the end of the official rating year.**
- 6) Employees who have not served in their position for at least ninety (90) days as of the end of the rating period shall have any performance based-cash award pro-rated based on actual months of service.**

B. Time Off Award

This award may be granted without loss of pay or charge to leave subject to the following constraints:

- 1) Each employee whose summary performance rating is greater than 2.6 but less than 3.5 shall be eligible for a Time-Off Award of 20 hours.**
- 2) Each employee whose summary performance rating is greater than or equal to 3.5 shall be eligible for a Time-Off Award of 40 hours.**
- 3) Each employee who is eligible for a Time-Off Award will be consulted as to his/her preference for either a Time-Off Award or a Performance-Based Cash Award. If the employee expresses a preference for a Time-Off Award, the employee's preference will be given serious consideration. However, if management determines that it cannot give the employee the preferred Time-Off Award, it will notify the employee that he/she will be nominated for the cash award instead.**
- 4) Time-Off Awards must be used within one calendar year of the date that the award is granted. It may not be transferred if an employee transfers to another**

Federal agency, nor is the award payable in a lump sum if the employee leaves Federal service.

C. Quality Step Increase

Quality step increases are permanent increases in pay. They are granted at management's discretion to reward sustained performance of high quality significantly above that expected at Level 3.5 or higher, and to motivate employees toward increased productivity. The following applies to the granting of Quality Step Increases:

- 1) Quality Step Increases may be granted only to employees who have permanent or indefinite appointments, whose current rate of pay is less than the maximum for their grade, whose current rating of record is at 3.5 or higher (or equivalent under another system) and who are expected to continue to serve in their current position, or in a similar position at the same grade, at the same level of performance, for the foreseeable future. Decisions on Quality Step Increases will be based on objective criteria. Such criteria shall be published by the Departmental element affected within the first four months of the rating year.**
- 2) Only one Quality Step Increase may be granted to an employee during any 52-calendar-week period.**

An employee may not receive more than one of the following for the same performance: a Quality Step Increase, a performance-based award cash award, or a time-off award.

Section 29.02

Employees seeking information regarding incentive awards should telephone or visit the Headquarters personnel office, which will advise them as to available awards for which they may be nominated.

Section 29.03

A list of awards for which employees may be nominated will be distributed annually throughout DOE Headquarters. The awards available to employees are:

- A. Performance award - This is a cash award granted for sustained superior performance of regularly assigned duties.**

- B. Quality step increase - This is awarded for high quality performance of all of the most important functions in the regularly assigned position, demonstrated over an extended period of time, and expected to continue.
- C. Superior accomplishment award - This is a monetary or non-monetary award granted for a contribution resulting in tangible and/or intangible benefits to the Government. This is the type of award given for a special act or service.
- D. Invention award - Monetary or non-monetary recognition granted for an invention in which the Government holds title or license and that is of benefit to the Department or the public, or for which patent coverage is sought or granted.
- E. Suggestion award - An award given for a constructive proposal, submitted in writing, which, if adopted, would directly contribute to economy or efficiency, directly increase the effectiveness of Departmental operations, or result in a significant reduction in paperwork.

Section 29.04

Performance-based cash awards are subject to approval by an official at least one step higher in the chain of command than the management official who proposed the award nomination. A disapproval of an award nomination must be in writing and shall include a detailed explanation for the decision to deny the award. Award nomination disapprovals shall be in accordance with this Agreement and be fair and equitable. An employee may grieve the disapproval of their award nomination as either; 1) violative of this Agreement; or 2) unfair and inequitable, under Section below. NTEU may arbitrate such a grievance, under Article 12 of this Agreement. An employee who receives a written disapproval of their award nomination shall receive two copies. The written disapproval shall contain information concerning the employee's grievance rights as stated above and a statement that one copy may be furnished to NTEU by the employee. The written denial must be provided to the employee no later than 60 days after the end of the rating period.

Section 29.05

The Employer will provide the NTEU a quarterly listing of all employees who receive any type of performance award, the basis for the award, and the amount of the award. The Employer will provide the NTEU any additional information reasonable and necessary to the processing of a grievance, upon request.

APPENDIX

Generic Levels of Accomplishment

Level 4

Demonstrates initiative by taking responsibility for planning work and handling unexpected problems; demonstrates innovative thinking, innovative use of available resources, and develops creative solutions; meets or exceeds deadlines; demonstrates high quality work that is technically sound, accurate, and thorough; and initiates collaborative efforts where beneficial to task accomplishment, and works cooperatively with others. The supervisor is rarely involved in overcoming barriers to performance and this performance is sustained throughout the rating period.

Level 3

Demonstrates initiative by taking responsibility for planning work and handling unexpected problems; demonstrates innovative thinking, innovative use of available resources, and develops creative solutions; meets or exceeds deadlines; demonstrates high quality work that is technically sound, accurate, and thorough; and initiates collaborative efforts where beneficial to task accomplishment, and works cooperatively with others. Supervisory intervention is periodically required to overcome significant barriers to performance.

Level 2

Adequately plans work and handles problems; usually demonstrates economic use of available resources; develops solutions; meets deadlines; demonstrates work that usually is technically sound, accurate, and thorough; and works cooperatively and collaboratively with others. The supervisor is required to overcome significant barriers to performance.

Level 1

Level 1 is unsatisfactory performance, which is significantly lower than performance at Level 2.

Section B. Certification of Progress Review - Performance and progress to date have been discussed with the employee.

Progress reviews provide structured, scheduled time for rating official-employee communications at two points of the performance period to: assess progress made toward achieving performance objectives and meeting performance requirements; identify new or previously unnoticed problems affecting the employee's performance and develop ways to resolve them; and make necessary adjustments in the performance elements and standards.

Planning the progress review meeting is essential to its success. In advance of the progress review meeting, the rating official should review the elements and standards and assemble copies of relevant documents to share with the employee. The progress review meeting shall not be used as an occasion for congratulating or blaming the employee. These meetings are intended for the employee and rating official to explore the circumstances underlying the employee's evaluation at the time of the review.

1st Review

Level of performance as of this review

Signature of Rating Official

Date _____

Signature of Employee

Date _____

Element 1 . _____

Element 2. _____

Element 3. _____

Element 4. _____

Element 5. _____

Element 6. _____

Element 7. _____

Element 8. _____

_____ Employee refused to sign

2nd Review

Level of performance as of this review

Signature of Rating Official

Date _____

Signature of Employee

Date _____

Element 1 . _____

Element 2. _____

Element 3. _____

Element 4. _____

Element 5. _____

Element 6. _____

Element 7. _____

Element 8. _____

_____ Employee refused to sign

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